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13 May 1950

MEMORANDUM OF CONVERSATION WITH MR. [REDACTED], CHIEF, PLANS
AND POLICY STAFF, CRE, BEGINNING 0915 ON 11 MAY 1950

1. This conversation with Mr. [REDACTED] was the outgrowth of a conversation the previous day held in the office of Colonel Babbitt, Assistant Director, CRE, at which time Dr. [REDACTED] of OSO discussed needs of OSO for general guidance grounded in national policy and for specific guidance as to appropriate intelligence targets arrayed according to priorities and the need of both OSO and OPC for support which CRE facilities are best set-up to provide. Subsequent to this meeting on 10 May, Mr. [REDACTED] expressed an interest in conferring further with me. Inasmuch as a member of the PB VI staff was interested in securing the informal views of the economic staff of CRE respecting the economic objectives and weaknesses of the Soviet system and the relationship thereto of US policies and US programs in support of these policies, it was thought desirable to initiate conversations with Mr. [REDACTED] at the earliest practicable time.

2. Mr. [REDACTED] presented as his first topic for discussion an expression of his feeling that discussions such as that held on 10 May should be repeated from time to time because of the evident mutual value to the participating officers and the organizations which they represent. Mr. [REDACTED] wished to know if I was interested in participating further in such discussions. I advised Mr. [REDACTED] that continued participation on, more or less regularized basis would require my securing appropriate approvals. I did express the opinion, however, that if my responsibilities continued to be approximately the same that such participation would appear to me to be prospectively mutually helpful.

3. The next topic which Mr. [REDACTED] presented was a request for guidance from OPC with respect to compliance with a memorandum of 3 March 1950 from the Executive Secretary of the National Security Council to the Director of Central Intelligence "to prepare for Council consideration and action a comprehensive plan for satisfying the foreign economic intelligence requirements of the national security and for a coordinated inter-agency effort to this end" insofar as this pertains to OPC needs for foreign economic intelligence. (Compliance with this NSC request has been made the responsibility of CRE. This directive grew out of a request from the NSRB dated 2 February 1950. It is known that the office within the NSRB which originated the request of 2 February 1950 is that of Mr. [REDACTED] Chief, Foreign Economic Division.) Expressed differently, the

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advice which Mr. [] seeks for ORE is "to what degree can NSRB, and Mr. [] specifically, be apprised of the extent of the OPC mission and its operations in the economic field," and how can this be appropriately handled in relation to the NSC request of 3 March, by what arrangements, including mechanical procedures?

4. In connection with Mr. []'s first topic I queried him as to the extent of his knowledge of OPC. He indicated that he had never seen any official papers which specifically set forth the character and mission of OPC. He did mention, however, that Mr. [] when he was Deputy Director of OPC, had explained rather fully to ORE personnel the mission and character of OPC — at least to enough ORE personnel to include Mr. []. Mr. [] further pointed out that because of various requests on ORE for information which have been initiated by OPC it has been possible for ORE personnel to make well educated guesses as to potential intentions of OPC. He commented that they were capable of actively exercising their imaginations and that generally ORE was glad to know that an instrumentality such as OPC existed in the services of this country.

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5. I expressed to Mr. [] the hope that arrangements could be made whereby the respective experts of ORE could be put "on the OPC team" in their particular fields of expertise, for example, insofar as OPC would have potential or extant activity respecting industrial diamonds that the ORE expert respecting industrial diamonds could be apprised quite specifically concerning potential OPC intentions concerning the production, processing, transport, trading and utilization of industrial diamonds. It would not be intended that the ORE expert on industrial diamonds would be apprised of OPC potential intentions concerning machine tool matters unless by some odd circumstances the same individual served ORE as expert respecting both industrial diamonds and machine tools. I further stated that it appears to me it would be a desirable arrangement in furtherance of putting ORE experts "on the OPC team" for an arrangement to be made with the office of the Assistant Director of ORE to obtain assurance for OPC in each individual case that the security of OPC's potential activities in each of the categories of economic activity would not be compromised by ORE staff personnel. I reported to Mr. [] the fact that I had discussed the foregoing views on making ORE experts part of the "OPC team" with the Executive Officer of OPC and with Mr. [], OPC, and that both of these individuals expressed the opinion that the idea had merit. Mr. [] agreed that, from his point of view, these views had merit. It was agreed he would explore the matter with the Assistant Director of ORE and that he would advise me should the discussions with the Assistant Director of ORE develop that, from the ORE point of view, some amendment of the proposed arrangements would be desirable.

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6. With respect to the matter of getting informal views of the economic staff of ORE on the economic objectives and weaknesses of the Soviet system and the relationship thereto of US policies and US programs in support of these policies, it was agreed that this informal discussion could be held and that I should contact [redacted]

ILLEGIB

[redacted] ORE, to make the appropriate arrangements for assembling the conferees. It is proposed that prior to calling this meeting further study will be given to the "specifications for a survey of US governmental agencies engaged in the processing of foreign economic data" apparently prepared by ORE on 7 April 1950 in connection with its program to provide compliance with the request of 3 March 1950 of NSC.

SIGNED

[redacted]

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GMP:gis

cc: OPP
Registry (2)
Stateback PH VI (2)
ORE - [redacted]

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OPC FORM NO. 793 (Adapted)

OPC REPRESENTATIVE

OUTSIDE S

25X1A

[REDACTED]

(a)

[REDACTED]

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Assistant Director, ORR

(b)

[REDACTED]

25X1A

Chief, Plans and Policy Staff, ORR

(c)

[REDACTED]

25X1A

Chief, Division of Economics, ORR

(d)

[REDACTED]

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Deputy Chief
Division of Economics, ORR

(e)

[REDACTED]

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General Economic Review
Division of Economics, ORR

(f)

[REDACTED]

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Chief,
Finance and Foreign Trade Sec., ORR

TYPE OF ACTION

Approval of Continuing Contact (X)

Liaison Report (X)

BRIEF DESCRIPTION OF LIAISON AND REMARKS

a. Liaison reported is covered in memoranda of conversations on 10 May 1950 in office of Assistant Director, ORR, and on 11 May 1950 with Mr. [REDACTED] of ORR, copies of which are attached.

b. Continuing contact pertains to the whole range of mutual OPC - ORR interests respecting economic matters. (See also the aforementioned memoranda of conversations.)

APPROVED:

Branch Chief

Liaison Officer

Date

APPROVED:

OLC

Date

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SECRET (When Filled In)

AREA OR COUNTRY(S)	ORGANIZATION(S)	GENERAL FUNCTION(S)	SPECIFIC FUNCTION(S)	DOC DATE CLASS <u>S</u>
HQ	OPC	DDP	Ec War	12 May
	OSO		Liaison (intra-agency)	1950
	ORE		Coordination	
			Security	Compartmentation

IDENTIFICATION OF DOCUMENT

25X1A Memo from [] [probably Staff III/PG/VI (ec war)/
25X1A OPC] to [] Subject: "OPC Working Relationship with 25X1A
ORE Respecting Economic Matters." With two attached memos of con-
versation re: Ec War matters same date.

25X1A EFFECT NOTATION REFERENCES Dr. [] of OSO had expressed to []
AD/RE an interest in adding precision in ~~its~~ efforts to collect economic in-
telligence. Consequently, a meeting held with ORE economic experts, writer
attended for OPC. Some discussion held about lack of clarity of national po-
licy in this field, also discussion held re: Soviet intentions and conse-
quent correlation with their stockpiling efforts. After meeting writer dis-
cussed for OPC/EXO and DEXO permissible degree of openness with ORE experts.
Subsequently meeting held with [], Chief, Plans and Po-
policy Staff, who brought up the request from NSC "to prepare for Council con-
sideration and action a comprehensive plan for satisfying the foreign econo-
mic intelligence requirements of the national security". There was also some
discussion of desirable and permissible degree
to which ORE expert should be briefed on OPC

DOCUMENT LOCATION

HS/CSG-1528

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